

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

March 24, 2004

RECEIVED

MAR 31 2004

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

RE: Ray Water Company

Dear Sir/Madam:

Please find enclosed the Annual Report of Water Utility for the above captioned corporation for the calendar year 2003.

Yours very truly,

SEBY & ASSOCIATES, LTD.



Glenn E. Fydrych, CPA

GEF:vb
Enclosure

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

Ray Water Company
414 North Court
Tucson, AZ 85701

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, Compliance Section for the year ended December 31, 2003 for Ray Water Company included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, Compliance Section, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Respectfully submitted,



SEBY & ASSOCIATES, LTD.
Certified Public Accountants

March 24, 2004

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01380A
Ray Water Company
414 North Court
Tucson AZ 85701

RECEIVED

MAR 31 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
----	----	------

FOR COMMISSION USE

Ann04	03
-------	----

COMPANY INFORMATION

Company Name (Business Name) <u>Ray Water Company</u>		
Mailing Address <u>414 North Court Avenue</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
Local Office Mailing Address <u>414 North Court Avenue</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Local Office Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Dorleen Mallis</u>		<u>President</u>	
(Name)		(Title)	
<u>414 North Court Avenue</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			
On Site Manager: <u>Rhonda Rosenbaum</u>			
(Name)			
<u>414 North Court Avenue</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.
See Accountants' Compilation Report.

Statutory Agent: Rhonda Rosenbaum
(Name)
414 North Court Avenue Tucson AZ 85701
(Street) (City) (State) (Zip)
520-623-1332 520-623-2302 N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Hugh Holub
(Name)
3 Placita de Anza Tubac AZ 85646
(Street) (City) (State) (Zip)
520-377-8259
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

See Accountants' Compilation Report.

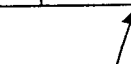
COMPANY NAME

Ray Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	700	-0-	700
303	Land and Land Rights	1,540	-0-	1,540
304	Structures and Improvements	13,781	8,729	5,052
307	Wells and Springs	302,936	159,708	143,228
311	Pumping Equipment	189,679	38,716	150,963
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	308,529	91,551	216,978
331	Transmission and Distribution Mains	621,525	354,891	266,634
333	Services	74,359	27,748	46,611
334	Meters and Meter Installations	105,702	64,601	41,101
335	Hydrants	77,480	21,279	56,201
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	1,376	1,526
340	Office Furniture and Equipment	15,936	2,139	13,797
341	Transportation Equipment	58,467	7,062	51,405
343	Tools, Shop and Garage Equipment	671	473	198
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	469	225
347	Miscellaneous Equipment	1,253	846	407
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,776,154	779,588	996,566

This amount goes on the Balance Sheet Acct. No. 108



See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	700	N/A	N/A
303	Land and Land Rights	1,540	N/A	N/A
304	Structures and Improvements	13,781	5.0%	708
307	Wells and Springs	302,936	5.0%	14,736
311	Pumping Equipment	189,679	5.0%	7,020
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	308,529	5.0%	11,585
331	Transmission and Distribution Mains	621,525	5.0%	21,433
333	Services	74,359	5.0%	3,451
334	Meters and Meter Installations	105,702	5.0%	3,236
335	Hydrants	77,480	5.0%	3,820
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	5.0%	145
340	Office Furniture and Equipment	15,936	5.0%	700
341	Transportation Equipment	58,467	5.0%	2,162
343	Tools, Shop and Garage Equipment	671	5.0%	34
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	5.0%	35
347	Miscellaneous Equipment	1,253	5.0%	63
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,776,154		69,128

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

Less amortization of
contributions in aid
of construction
Net Depreciation

(3,292)
65,836

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 27,736	\$ 10,851
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	419,177	535,914
141	Customer Accounts Receivable	57,712	20,360
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	1,760	33,730
174	Miscellaneous Current and Accrued Assets	9,306	7,056
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 515,691	\$ 607,911
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,512,001	\$ 1,776,154
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	20,005	16,659
108	Accumulated Depreciation – Utility Plant	710,490	779,588
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$ 821,516	\$ 1,013,225
	TOTAL ASSETS	\$ 1,337,207	\$ 1,621,136

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 4,747	\$ 384
232	Notes Payable (Current Portion)	-0-	-0-
234	Notes/Accounts Payable to Associated Companies	-0-	-0-
235	Customer Deposits	47,572	57,569
236	Accrued Taxes	33,606	28,529
237	Accrued Interest	-0-	-0-
241	Miscellaneous Current and Accrued Liabilities	24,180	24,323
	TOTAL CURRENT LIABILITIES	\$ 110,105	\$ 110,805
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -0-	\$ -0-
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -0-	\$ -0-
252	Advances in Aid of Construction	280,537	511,279
255	Accumulated Deferred Investment Tax Credits	6,978	6,014
271	Contributions in Aid of Construction	51,216	49,144
272	Less: Amortization of Contributions	-0-	-0-
281	Accumulated Deferred Income Tax	19,295	19,792
	TOTAL DEFERRED CREDITS	\$ 358,026	\$ 586,229
	TOTAL LIABILITIES	\$ 468,131	\$ 697,034
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 16,000	\$ 16,000
211	Paid in Capital in Excess of Par Value	41,333	41,333
215	Retained Earnings	811,743	866,769
218	Proprietary Capital (Sole Props and Partnerships)	-0-	-0-
	TOTAL CAPITAL	\$ 869,076	\$ 924,102
	TOTAL LIABILITIES AND CAPITAL	\$ 1,337,207	\$1,621,136

See Accountants' Compilation Report.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 542,113	\$ 505,169
460	Unmetered Water Revenue	-0-	-0-
474	Other Water Revenues	11,729	13,010
	TOTAL REVENUES	\$ 553,842	\$ 518,179
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 161,200	\$ 162,151
610	Purchased Water	-0-	-0-
615	Purchased Power	61,308	66,821
618	Chemicals	-0-	-0-
620	Repairs and Maintenance	3,608	1,620
621	Office Supplies and Expense	4,632	12,616
630	Outside Services	28,308	23,925
635 604	Water Testing Emp. Pension & Benefits-SEP	24,180	24,323
641	Rents	20,000	22,000
650	Transportation Expenses	3,239	3,442
657	Insurance - General Liability	6,031	6,618
659	Insurance - Health and Life	-0-	-0-
666	Regulatory Commission Expense - Rate Case	-0-	-0-
675	Miscellaneous Expense	12,890	12,512
403	Depreciation Expense	59,194	65,836
408	Taxes Other Than Income	13,467	13,035
408.11	Property Taxes	36,158	39,031
409	Income Tax	39,762	15,283
	TOTAL OPERATING EXPENSES	\$ 473,977	\$ 469,213
	OPERATING INCOME/(LOSS)	\$ 79,865	\$ 48,966
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 5,633	\$ 6,739
421	Non-Utility Income	-0-	18
426	Miscellaneous Non-Utility Expenses	(124)	(500)
427	Interest Expense	-0-	(197)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 5,509	\$ 6,060
	NET INCOME/(LOSS)	\$ 85,374	\$ 55,026

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Meter Deposit Balance at Test Year End

\$ 11,254

Meter Deposits Refunded During the Test Year

\$ 719

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609462	30	175	310	10"	6" FM	1957
55-609464	40	300	464	12"	6" FM	1969
55-609465	60	425	425	12"	6" FM	1973
55-609466	30	260	353	12"	4" FM	1963
55-800420	60	350	680	12"	6" FM	1983
55-535561	40	300	500	12"	6" FM	1992

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	60	N/A
20	1		
15	3		
30	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	4	5,000	4
90,000	1	6,000	1
250,000	1	1,000	1

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	N/A	N/A
3	AC	9,730
4	AC	29,900
5	N/A	N/A
6	AC	24,780
8	AC	4,410
10	N/A	N/A
12	N/A	N/A
4	PVC 900	735
6	PVC 900	13,515
8	PVC 900	19,686
6	DIP	175
12	DIP	200

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,153
3/4	N/A
1	24
1 1/2	3
2	10
Comp. 3	N/A
Turbo 3	1
Comp. 4	3
Tubo 4	1
Comp. 6	1
Tubo 6	N/A

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Cyclone/razor wire fencing around all six well sites.
50 sq. ft. storage building at well #4.

OTHER:

Office furniture and equipment, computers.
Miscellaneous field equipment.

See Accountants' Compilation Report.

COMPANY NAME: Ray Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1,085	11,970,000	16,526
FEBRUARY	1,087	13,446,000	14,180
MARCH	1,091	12,179,000	16,407
APRIL	1,091	18,500,000	18,978
MAY	1,063	17,752,000	24,896
JUNE	1,096	21,304,000	26,254
JULY	1,101	29,717,000	27,849
AUGUST	1,101	20,899,000	27,067
SEPTEMBER	1,109	18,788,000	18,154
OCTOBER	1,103	21,121,000	23,658
NOVEMBER	1,098	25,178,000	18,107
DECEMBER	1,153	13,376,000	15,583
TOTAL		N/A	247,659

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes () No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(X) Yes () No

If yes, provide the GPCPD amount: 121 GPCPD

What is the level of arsenic for each well on your system. * mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

* Point of Entry	Level
#1	.0032 mg/l
#2	.0047 mg/l
#3	.0030 mg/l
#4	.0084 mg/l
#5	.0003 mg/l

COMPANY NAME Ray Water Company

YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 37,537

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

See Accountants' Compilation Report.

41 2/02 14536

RAY WATER COMPANY, INC.
414 N. COURT AVENUE PH. 623-1332
TUCSON, AZ 85701

PAY TO THE ORDER OF Pima County Treasurer DATE 4-29-03 91-527 2042
1221

\$17,968.87

THE SUM OF SEVENTEEN THOUSAND NINE HUNDRED AND 87/100 DOLLARS

WELLS FARGO Wells Fargo Bank Arizona, N.A.
145 E. 22nd St.
Tucson, AZ 85713
www.wellsfargo.com

FOR 2nd Yr 22 Pptax on 140-35-20504 140-35-16707 only R M

⑈014536⑈ ⑈122105278⑈0728387424⑈ ⑈0001796887⑈

MFB TEMPE, AZ 05012003
TRACER 3508 091
1221-0527-8
0834065731

APR 30 2003
BANK OF AMERICA, N.A. TPE
1221017664 E2398 98 P07
04/30/03

3150764912

0082 61001

FOOT
PIMA COUNTY
TUCSON, ARIZONA
412-24150

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2002 REAL ESTATE TAXES

STATE CODE NUMBER

140-35-1670

TOTAL TAX

\$35,807.62

DATE PAID

04/29/2003

1ST HALF TAX PAID	\$0.00
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$17,903.81
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID

\$17,903.81

BALANCE DUE

\$0.00

LEGAL PROPERTY ADDRESS

CORONET PARK NO 1 LOT 164

A/E

TOTAL VALUE OF OPERATING PROPERTY

TAXPAYER GROUP NO 220

(FORMERLY 139-33-1670)

*THANK YOU FOR YOUR PAYMENT***Beth Ford****Pima County Treasurer****PIMA COUNTY, ARIZONA**

RAY WATER CO
DORLEEN MALLIS
414 N COURT AVE
TUCSON AZ 85701

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2002 REAL ESTATE TAXES

STATE CODE NUMBER
140-35-2050

TOTAL TAX
\$130.12

DATE PAID
04/29/2003

1ST HALF TAX PAID	\$0.00
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$65.06
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$65.06
BALANCE DUE	\$0.00

LEGAL PROPERTY ADDRESS

CORONET PARK NO 2 PARCEL 50' X 75'
BLK 2
TOTAL VALUE OF OPERATING PROPERTY
GROUP NO 220
(FORMERLY 139-33-2050)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

RAY WATER CO
DORLEEN MALLIS
414 N COURT AVE
TUCSON AZ 85701

14789

031104063

RAY WATER COMPANY, INC. 14034.08107 et al

414 N. COURT AVENUE PH 623-1332
TUCSON, AZ 85701

DATE 10/30/03

91-527-2042
1221

PAY TO THE ORDER OF Pima County Treasurer \$19568.43

THE SUM I 9568 DOLLARS 43 CTS

WELLS FARGO Bank Arizona, N.A.
145 E. 22nd St.
Tucson, AZ 85713
www.wellsfargo.com

FOR Darleen Mallie

⑈014789⑈ -⑈122105278⑈0728387424⑈ ⑈0001956843⑈

WFS TUCSON, AZ 11062003
TRACER 2923 001
1221-0527-8
1031079287

10-53

0105 3 0940

BANK OF AMERICA, NA, TPE
01221017064 E2567 98 P06
00000412724156 11/05/03
3350767690

FOR DEPOSIT ONLY
PIMA COUNTY TREASURER
ALBUQUERQUE, NM

FUND PAYMENT - 1031104063

PIMA COUNTY TREASURER'S OFFICE

TAX PAYMENT RECEIPT

Paid Date 11/04/2003
 Batch Number 1031104063
 Paid by Code 01

RAY WATER COMPANY INC
 414 N COURT AVENUE
 TUCSON AZ 85701

Method Amount
 CK \$19,568.43

Total Amount Paid \$19,568.43
 Total Tax Amount Paid \$19,568.43
 Total Interest Amount Paid \$0.00
 Total Refund Due \$0.00

PARCEL NUMBER	TAX PAID	INTEREST PAID	TOTAL PAID	PAYMENT TYPE	LEGAL DESCRIPTION
140340810	\$20.86	\$0.00	\$20.86	FULL YEAR	RAY AMENDED THAT PT OF LOT 9 BLK 15 LYG SLY OF SWAN RD & PT ABAND RD (ABAND 7562/1098 (FORMERLY 139-32-185B) TOTAL VALUE OF OPERATING PROPERTY- TAXPAYER GROUP NO 55-220
140340220	\$93.43	\$0.00	\$93.43	FIRST HALF	RAY AMENDED LOT 7 BLK 4 (FORMERLY 139-32-0220)
140340180	\$20.86	\$0.00	\$20.86	FULL YEAR	RAY AMENDED LOT 3 BLK 4 RAY WATER COMPANY TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-32-0180)
140352050	\$62.56	\$0.00	\$62.56	FIRST HALF	CORONET PARK NO 2 PARCEL 50' X 75' BLK 2 TOTAL VALUE OF OPERATING PROPERTY- TAXPAYER GROUP NO 220 (FORMERLY 139- 33-2050)
140340280	\$20.86	\$0.00	\$20.86	FULL YEAR	RAY AMENDED LOT 1 BLK 5 RAY WATER COMPANY TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139-32-0280)
140342750	\$20.86	\$0.00	\$20.86	FULL YEAR	RAY AMENDED N55' OF LOT 16 EXC TRI IN NW COR THEREOF BLK 12 (WELLSITE) TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP #220 (FORMERLY 139-32- 146A)
140060090	\$22.26	\$0.00	\$22.26	FULL YEAR	MORTIMORE LOT 20 BLK 11 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP #220 (FORMERLY 139-09-0090)
140351670	\$250.23	\$0.00	\$250.23	FIRST HALF	CORONET PARK NO 1 LOT 164 TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220 (FORMERLY 139- 33-1670)
922012000	\$19,056.51	\$0.00	\$19,056.51	FIRST HALF	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 220

IMPOUND PAYMENT - I030502074

Page 3 of 4

140340270	\$97.14	\$0.00	\$97.14	SECOND HALF	(FORMERLY 139-32-0260) RAY AMENDED LOT 12 BLK 4 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0270)
140340290	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 2 BLK 5 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0290)
140340300	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 3 BLK 5 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0300)
140340310	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 4 BLK 5 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0310)
140340320	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 5 BLK 5 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0320)
140340330	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 6 BLK 5 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0330)
140340210	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 6 BLK 4 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0210)
140340220	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 7 BLK 4 (FORMERLY 139-32-0220)
140340230	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 8 BLK 4 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0230)
140340240	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 9 BLK 4 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0240)
140340250	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 10 BLK 4 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0250)
140340160	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 1 BLK 4 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0160)
140340170	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 2 BLK 4 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0170)
140340120	\$182.23	\$0.00	\$182.23	SECOND HALF	RAY AMENDED LOT 3 BLK 2 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0120)
14034011A	\$145.03	\$0.00	\$145.03	SECOND HALF	RAY AMENDED LOT 2 EXC NWESTERLY 25' THEREOF BLK 2 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-011A)
140340410	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 8 BLK 6 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0410)
140340420	\$97.14	\$0.00	\$97.14	SECOND HALF	RAY AMENDED LOT 9 BLK 6 (7904/1586,1612,1638,1664,1690,1716) (FORMERLY 139-32-0420)

COMPANY NAME Ray Water Company YEAR ENDING 12/31/2003

INCOME TAXES

RECEIVED

MAR 31 2004

**AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>60,154</u>
Estimated or Actual Federal Tax Liability	<u>10,039</u>
State Taxable Income Reported	<u>86,481</u>
Estimated or Actual State Tax Liability	<u>6,026</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

X Dorleen Mallis
SIGNATURE

X 3/29/04
DATE

Dorleen Mallis
PRINTED NAME

President
TITLE

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 31 2004

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Dorleen Mallis, President
COMPANY NAME
Ray Water Company

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 553,092

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 34,913
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL
520-623-1332
TELEPHONE NUMBER

☒ SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

COUNTY NAME
PIMA
MONTH
MARCH
YEAR
2004

DONNA K. REARDON
Notary Public - Arizona
Pima County
MY COMMISSION EXPIRES November 5, 2005

Donna K. Reardon
SIGNATURE OF NOTARY PUBLIC

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAR 31 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 442,685

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 28,617
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL

✓ SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

29th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



DONNA K. REARDON
Notary Public - Arizona
Pima County
My Commission Expires
November 5, 2005

NOTARY PUBLIC NAME DONNA K. REARDON	
COUNTY NAME Pima	
MONTH March	YEAR 2004

Donna K. Reardon
SIGNATURE OF NOTARY PUBLIC

See Accountants' Compilation Report.